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Personal Income in Nebraska

In his new bulletin on "Personal Income in Nebraska and Nebraska Counties: 1950-1962," announced elsewhere in this issue, Professor Wallace Peterson says: "Income has come to be regarded as the best and most comprehensive single measure of the general level of economic activity and well-being for a nation, for a state, and for regions." This article will attempt a brief analysis of the relative "well-being" of the state of Nebraska in terms of this concept, covering a somewhat longer period of time than that included in Professor Peterson's study and making use of some new data not available at the time he wrote.

Professor Peterson goes on to say: "As a measure of the economic progress of a state or region per capita income figures are generally felt by economists to be more suitable than income totals." In line with this idea, per capita figures for Nebraska are presented in Table I below. These, of course, reflect changes in population as well as in total income and thus serve as a measure of the average level of "well-being" of the people of the state. Of course, the aggregate welfare and progress of a state depends also on total income, and some attention will be given to this matter at a later point.

The figures in column 1 below are for "personal income", which is defined by the Department of Commerce as "the current incom received by persons resident in the state from all sources, inclusive of transfers from government and business but exclusive o transfers among persons." An allowance is included for incom received "in kind", such as food, lodging, and clothing received b employees, the net rental value of owner-occupied homes, and th net value of food and fuel produced and consumed on the farm Thus the concept of personal income includes wages and salaries other labor income; rental income; the income of proprietors; interest and dividends; and transfer payments. Transfer payment consist of income to individuals from government and business fo which no services are currently rendered, such as social securit benefits, old age assistance, public and private pensions, and unemployment compensation. Social security taxes paid by individuals are deducted.

With the exception of this deduction, the personal income concep is a "before-tax" measure of income received. The Departmen of Commerce has recently begun publication of a new series showing per capita "disposable income" by states. This is persona income minus personal taxes (mainly income and property taxes paid by individuals) and special "nontax" (Continued on page 4)

TABLE I
PER CAPITA PERSONAL INCOME IN NEBRASKA

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	(Dollars)			Percentage of National Average			Rank Among 50 States			Average Annual Growth Rate from Year Indicated to 1963		
Year	Personal	Disposable	Real Disposable	Personal	Disposable	Real Disposable	Personal	Disposable	Real Disposable	Personal	Disposable	Real Disposable
1929	590	580	898	83.9	85.0	81.1	27	25	29	4.1	3.8	2.1
1940	439	429	816	73.8	74.6	70.5	33	32	34	7.4	7.0	3.5
1946	1,151	1,041	1,342	92.2	93.3	92.0	26	25	26	4.2	4.0	1.8
1947	1,243	1,107	1,294	94.5	94.8	93.8	25	26	28	3.9	3.9	2.1
1948	1,463	1,340	1,479	103.0	105.0	103.7	17	17	16	3.1	2.8	1.3
1949	1,305	1,202	1,345	94.4	95.6	94.9	24	23	23	4.2	4.7	2.1
1950	1,472	1,362	1,510	98.7	100.6	100.3	20	19	19	3.5	3.1	1.4
1951	1,556	1,400	1,456	94.4	95.9	95.7	25	24	23	3.3	3.2	1.8
1952	1,670	1,486	1,503	96.7	98.5	97.6	24	22	24	2.9	2.9	1.7
1953	1,605	1,424	1,436	89.8	91.0	90.8	26	25	25	3.6	3.7	2.3
1954	1,700	1,531	1,531	96.0	97.6	97.6	24	20	20	3.4	3.3	1.8
1955	1,620	1,462	1,453	86.8	88.6	88.4	30	28	28	4.4	4.3	2.4
1956	1,650	1,484	1,453	83.5	85.3	85.3	32	30	29	4.8	4.6	3.1
1957	1,892	1,726	1,649	92.4	95.9	96.3	24	19	18	3.4	2.9	1.5
1958	1,977	1,783	1,667	95.8	97.9	98.2	24	19	18	3.1	2.7	1.6
1959	1,989	1,786	1,658	92.0	94.0	94.7	26	21	21	3.6	3.4	2.1
1960	2,135	1,905	1,737	96.3	98.6	99.0	23	20	18	2.4	2.3	1.3
1961	2,147	1,899	1,721	94.7	95.9	96.6	24	21	21	3.5	3.7	2.3
1962	2,276	2,030	1,817	96.2	98.7	99.0	23	20	18	1.1	0.5	-0.8
1963	2,300	2,040	1,803	94.0	96.1	96.4	25	21	20			
1964	2,349			91.5			26					

Source: Columns 1, 2, and 3 from Survey of Current Business, April, 1965, pp. 19, 22, 24. Other columns computed by Bureau of Business Research.

Business Summary

In September, the dollar volume of business for Nebraska increased 6.6% from September, 1964, and 5.2% from the previous month. The same index for the U. S. shows an 8.9% and a 1.5% increase for the same periods. Physical volume increased from September, 1964, for Nebraska (3.3%) and for the U. S. (6.0%). In the individual series, Bank Debits, Life Insurance Sales, and Gasoline Sales show substantial increases over September, 1964. Construction Activity shows a significant decrease from September, 1964. The other series show rather steady index figures.

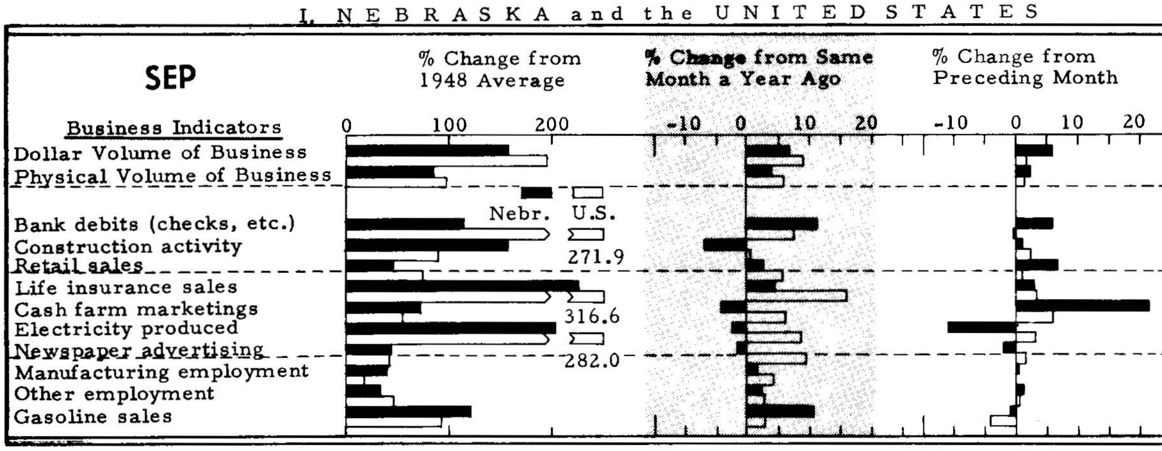
Retail Sales for the state in October, 1965, remained almost constant from September, 1965 (down 0.1% seasonally adjusted). Sales for the state had a 1.1% increase over October, 1964. Hard Goods rose 12.9% from a year ago due mainly to a 21% increase in automobile sales and a 32.8% rise in farm equipment sales while Soft Goods fell 3.6% as a result of decreases in department stores (-7.8%), apparel stores (-7.7%), variety stores (-8.4%), luxury goods (-9.5%), and food stores (-2.0%).

Unadjusted city indexes grew in 17 of the 22 cities over September, 1964. The state figure was 2.8% above September, 1964, and 4.8% above August, 1965.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Chart I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month.

J. TIMOTHY WILSON

I. NEBRASKA and the UNITED STATES



II. PHYSICAL VOLUME OF BUSINESS

% of 1948 Average

Month	Nebr. 1964-5	U.S. 1964-5
Sept. (1964)	179.0	188.3
Oct.	176.4	186.6
Nov.	174.7	187.7
Dec.	176.3	189.3
Jan. (1965)	183.2	194.2
Feb.	180.7	193.0
Mar.	179.3	196.3
Apr.	178.7	196.6
May	172.5	193.6
June	181.2	199.0
July	178.6	198.4
Aug.	181.8	197.4
Sept.	184.9	199.4

III. RETAIL SALES for Selected Cities.

Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

OCT City	No. of Reports*	Per Cent of Same Month a Year Ago: Total	Hard Goods	Soft Goods	Per Cent of Preceding Month: Total
THE STATE	874	101.1	112.9	96.4	99.9
Omaha	104	102.6	108.4	97.9	107.3
Lincoln	88	106.8	117.2	98.3	97.1
Grand Island	29	96.3	90.7	101.2	98.2
Hastings	24	92.6	102.9	83.8	83.0
North Platte	21	98.6	99.8	98.0	93.3
Fremont	24	102.7	121.0	89.9	85.3
Fairbury	28	108.4	119.9	96.3	95.8
Norfolk	35	108.5	125.6	93.9	102.8
Scottsbluff	34	119.4	137.5	103.1	105.2
Columbus	26	101.5	112.8	91.4	90.4
McCook	24	103.2	113.0	95.3	100.6
York	29	107.0	118.4	97.6	99.8

IV. RETAIL SALES, Other Cities and Rural Counties

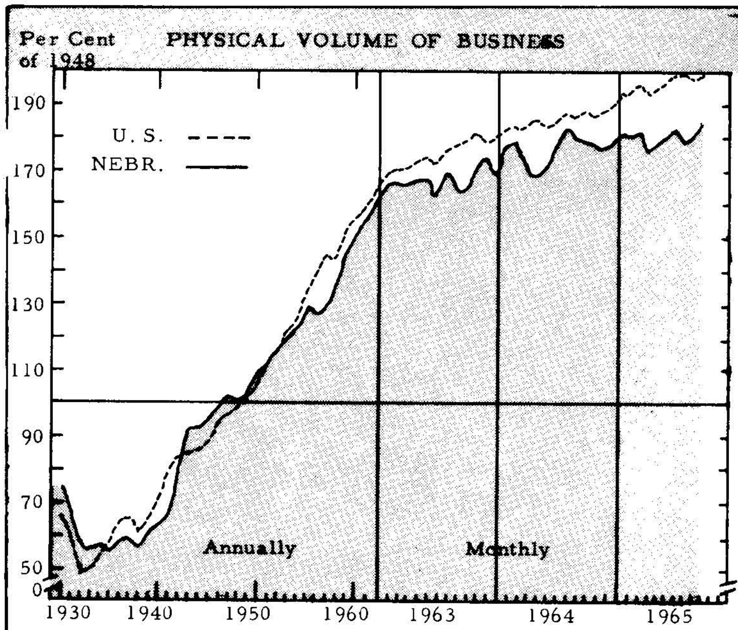
OCT Locality	No. of Reports*	Per Cent of Same Month A Year Ago	Per Cent of Preceding Month
Kearney	17	101.6	85.2
Alliance	19	91.8	105.4
Nebraska City	21	96.8	92.2
Broken Bow	17	88.3	94.1
Falls City	18	116.3	101.2
Holdrege	21	116.0	108.4
Chadron	18	106.5	82.6
Beatrice	25	113.6	91.3
Sidney	24	93.9	86.8
So. Sioux City	12	98.0	109.9
Antelope	13	112.8	100.7
Cass	30	105.2	102.2
Cuming	15	120.1	129.1
Sand Hills**	27	100.7	111.2
Dodge***	13	110.1	115.5
Franklin	9	94.2	98.2
Holt	15	104.4	110.7
Saunders	19	108.2	106.7
Thayer	13	103.9	115.7
Misc. Counties	62	93.5	112.4

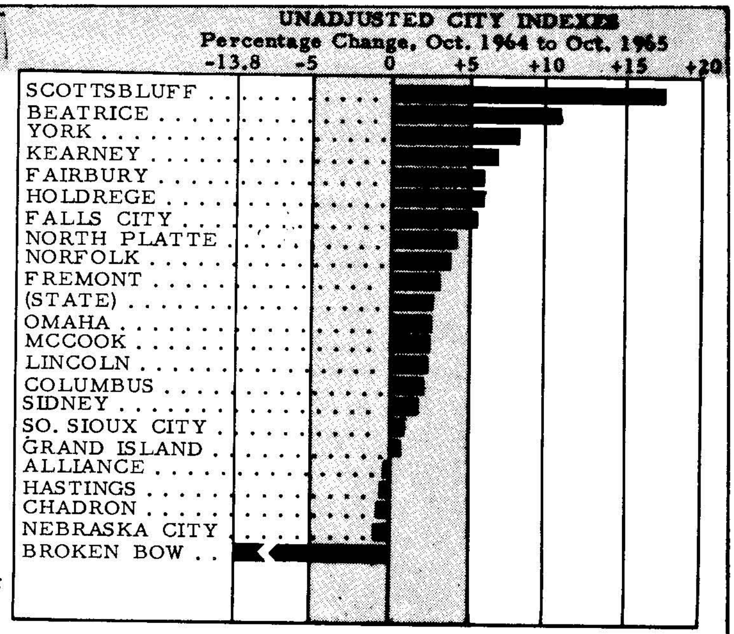
V. RETAIL SALES, by Subgroups, for the State and Major Divisions

OCT Type of Store	Per Cent of Same Month a Year Ago: Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES	101.1	100.7	102.8	99.5
Selected Services	92.7	95.4	98.0	84.6
Food stores	98.0	100.3	100.8	92.8
Groceries and meats	97.3	101.5	96.9	93.6
Eating and drinking pl.	100.7	98.7	108.9	94.6
Dairies and other foods	93.5	97.5	100.2	82.7
Equipment	106.4	98.2	104.7	116.4
Building material	101.3	89.2	101.2	113.4
Hardware dealers	96.5	101.6	98.8	89.1
Farm equipment	132.8	N.A.	133.0	132.7
Home equipment	100.8	104.5	97.0	101.0
Automotive stores	115.3	114.0	119.4	112.5
Automotive dealers	121.0	117.4	123.6	122.0
Service stations	102.0	100.2	102.9	103.0
Miscellaneous stores	93.6	94.8	95.2	90.9
General merchandise	92.2	95.3	92.7	88.5
Variety stores	91.6	88.8	90.2	95.7
Apparel stores	92.3	91.6	94.0	91.2
Luxury goods stores	90.5	92.1	109.2	70.3
Drug stores	103.1	105.1	101.4	102.7
Liquor stores****	108.9	109.4	113.0	105.3
Other stores	96.5	97.9	90.0	101.7

*Not including liquor stores ***Outside Principal City ****Based on sales by wholesalers to dealers

**Including Hooker, Grant, Dawes, Cherry, and Sheridan Counties





Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. J. T. W.

VI. CITY BUSINESS INDICATORS

OCT — Per Cent of Same Month a Year Ago

City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	102.8	104.5	91.3	101.1	111.6	103.9	95.9	102.9	103.2
Beatrice	111.0	112.8	74.4	113.6	113.1	123.7	90.5	113.8	104.4
Omaha	102.8	97.5	91.9	102.6	114.4	101.2	109.9	95.6	121.2
Lincoln	102.6	101.6	103.9	106.8	105.2	96.1	97.9	122.3	99.9
Grand Island	100.6	113.8	76.0	96.3	105.1	119.6	87.8	96.5	- -
Hastings	94.4	95.2	87.2	92.6	102.4	91.5	83.5	116.2	98.4
Fremont	103.1	102.4	117.5	102.7	112.1	- -	95.3	84.7	- -
North Platte	104.0	113.4	125.1	98.7	107.1	136.7	75.3	96.6	91.1
Kearney	106.6	116.0	80.7	101.7	109.8	116.5	65.9	108.2	- -
Scottsbluff	117.2	119.1	178.6	119.4	111.6	118.9	90.3	107.2	120.2
Norfolk	103.9	121.5	70.6	108.6	111.0	90.5	93.8	118.5	102.1
Columbus	102.5	115.8	69.7	101.6	113.2	98.7	80.5	106.6	103.2
McCook	102.7	103.0	203.7	103.3	100.0	100.5	- -	104.1	- -
Sidney	101.6	101.6	84.8	94.0	114.4	124.9	61.1	109.1	- -
Alliance	99.7	105.1	169.5	91.8	101.9	152.7	52.6	99.9	81.4
Nebraska City	99.1	94.9	- - -	96.9	109.6	89.0	111.8	94.9	- -
So. Sioux City	100.7	93.0	142.9	98.0	108.3	50.8	- -	103.4	- -
York	108.0	108.4	114.6	107.0	113.9	105.2	78.3	111.5	- -
Falls City	105.3	109.6	212.0	116.3	109.2	99.1	103.4	93.5	93.5
Fairbury	105.8	102.6	- -	108.5	100.5	120.3	94.3	106.4	123.4
Holdrege	105.8	- -	80.8	116.1	106.3	235.5	116.6	94.9	69.3
Chadron	99.3	92.8	16.2	106.5	111.6	123.8	83.8	98.7	- -
Broken Bow	86.2	127.2	64.4	88.3	107.7	100.0	70.3	- -	68.7

OCT — Per Cent of Preceding Month (Unadjusted)

City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	104.8	101.3	105.5	102.9	96.8	115.2	106.6	104.0	107.2
Beatrice	90.8	94.2	91.7	105.2	74.9	137.1	72.4	86.8	90.7
Omaha	106.1	97.4	104.3	109.5	103.0	107.7	117.9	100.4	113.9
Lincoln	108.0	97.3	102.1	99.1	87.7	116.6	116.3	114.5	139.6
Grand Island	102.1	104.2	98.3	100.5	95.0	112.3	103.8	102.6	- -
Hastings	97.4	98.0	85.4	85.2	97.7	113.8	95.1	109.8	98.8
Fremont	97.3	104.5	91.0	88.2	108.3	- - -	103.4	90.4	- -
North Platte	95.9	108.1	99.7	97.5	85.8	189.6	90.3	75.9	96.1
Kearney	105.8	96.3	109.9	96.1	105.0	186.3	102.4	120.0	- -
Scottsbluff	107.6	116.3	141.7	107.6	86.5	174.8	99.4	107.2	99.2
Norfolk	105.0	112.8	109.1	105.1	66.9	106.1	99.8	114.9	93.3
Columbus	95.2	89.2	94.3	92.5	77.5	120.5	99.3	94.8	110.3
McCook	108.0	105.2	238.4	103.1	84.3	115.6	- -	118.2	89.3
Sidney	102.9	109.9	86.9	100.4	98.3	180.7	68.7	127.9	- -
Alliance	102.8	119.7	88.7	119.2	86.8	233.6	55.7	102.4	101.0
Nebraska City	96.7	99.8	96.8	105.9	95.7	96.5	94.0	96.9	- - -
So. Sioux City	108.4	98.0	148.9	115.0	71.8	48.3	- -	175.8	- - -
York	101.9	93.3	106.7	102.0	105.6	117.6	82.4	90.3	- - -
Falls City	110.4	116.8	110.6	117.4	102.7	121.4	93.8	96.6	111.6
Fairbury	102.1	97.7	180.2	97.8	93.9	103.5	98.3	120.4	108.9
Holdrege	101.9	- -	119.2	124.1	88.3	251.9	88.3	98.3	85.9
Chadron	93.7	103.7	83.6	88.1	89.4	203.1	79.7	104.9	- -
Broken Bow	103.4	140.6	93.8	102.3	100.8	116.6	93.4	130.9	88.7

(Continued from first page) payments such as fees and licenses. These figures, which show the actual amount of income the average person has to spend and save, are given in column 2 of Table I.

The Department of Commerce has also prepared a set of state index numbers which measure changes in the price level and make it possible to convert this disposable income into "real" disposable income expressed in dollars of constant purchasing power. The real disposable income figures are presented in column 3 of Table I. They measure real changes in consumer purchasing power and are the best indication of fluctuations in the average level of economic well-being in the state.

The figures in column 1 of Table I show that from 1929 (which, for the nation as a whole, was the best year up to that time) to 1963 per capita personal income in Nebraska nearly quadrupled. Because of the increase in taxes, however, the growth of per capita disposable income, as shown in column 2, was less - about 250%. And after taking account of the increase in prices as well as taxes the figures in column 3 show a doubling of real disposable income per person during this period of 34 years.

These rates of increase exceed those for the nation as a whole. Table II shows that per capita disposable income in Nebraska, and in the Plains States as a whole, grew at annual rates 12% to 15% greater than the national average. Nebraska moved from 25th to 21st among the states, as shown in column 8, Table I. In terms of per capita real disposable income the comparison is even more favorable. Nebraska's growth rate in this category (Table II) exceeded the national rate by 40%, and the state's ranking among the states rose from 29th to 20th, as shown in column 9, Table I. In 1929 Nebraska stood 15% below the national average in per capita disposable income and nearly 20% below in real income terms, as shown in columns 5 and 6, Table I, but in 1963 it fell short of the nation in both categories by less than 4%.

In spite of this favorable comparison, there are three points of concern: (1) Per capita growth rates exceeded those of the nation largely because population growth was considerably below the national average. (Conversely, the Far West, where population

TABLE II
AVERAGE ANNUAL RATES OF GROWTH
IN PER CAPITA PERSONAL INCOME
(Percent)

	Disposable Income			Real Disposable Income		
	1929-63	1940-48	1948-63	1929-63	1940-48	1948-63
Plains	3.9	13.5	3.1	2.0	5.3	1.5
NEBR.	3.8	15.3	2.8	2.1	7.7	1.3
Iowa	3.9	14.4	2.4	2.0	6.0	0.8
Kans.	4.0	13.5	3.7	2.1	5.2	2.2
Minn.	3.7	12.0	3.2	1.8	4.0	1.5
Mo.	3.8	12.1	3.7	1.9	4.0	2.0
No. Dak.	4.8	17.7	2.5	2.8	8.8	0.9
So. Dak.	4.4	18.5	1.8	2.4	9.5	0.3
New England	3.0	8.0	3.8	1.2	0.7	2.2
Mideast	2.8	8.5	3.4	1.0	1.0	1.8
Great Lakes	3.2	10.4	3.1	1.4	2.4	1.5
Southeast	4.5	13.1	4.0	2.7	4.7	2.5
Southwest	4.1	12.7	3.7	2.2	4.8	2.1
Rocky Mt.	3.7	11.8	3.2	1.8	3.6	1.6
Far West	3.1	9.0	3.4	1.1	1.3	1.5
United States	3.4	10.5	3.4	1.5	2.6	1.8

Source: Survey of Current Business, April, 1965, p. 26.

surged ahead, fell considerably short of the national growth r (2) Total personal income did not grow as rapidly in Nebraska the nation. (3) Nebraska's rapid growth in the per capita cat ies relative to the nation came during the 1940's, and its g rate has declined substantially since that time.

It will be noted from column 4 (Table I) that per capita in in Nebraska exceeded that of the nation only in 1948. In that the state ranked 17th among the states in that category as w in disposable income, and 16th in real disposable income. By it had fallen to a rank of 32 in per capita personal income, has never succeeded in rising higher than 23rd since that tim 1964 per capita personal income in Nebraska fell to 91.5% national average, the lowest level percentagewise since 195 the state dropped from 25th to 26th in ranking among the s (Figures on disposable income and real disposable income fo are not yet available.) The growth rates in columns 10, 1 12, (Table I) show considerable fluctuation, reflecting large changing fortunes of agriculture, but in general the trend has downward.

A comparison of annual growth rates in the Plains State other regions of the country is shown in Table II. Per capit posable income grew in Nebraska at an annual rate 50% abo national average from 1940 to 1948, but at a rate 18% bel national average from 1948 to 1963. Similarly, the growt for real disposable income per capita was three times the na rate from 1940 to 1948, but 28% below the nation from 1948 to

Nebraska was one of only nine states in the nation which ir showed an actual decline in per capita real disposable incom low the 1962 level. The fact that three others of these be Nebraska (Kansas, North Dakota, and South Dakota) were a the Plains region raises the question as to whether this is gional as well as a state problem. The figures for other and regions for 1963 are presented in Table III.

In 1963 per capita personal incomes ranged from $1392 in sissippi to $3271 in Delaware. (The 1964 figures were $14 $3460.) Disposable incomes ranged from $1266 in Mississi $2781 in Nevada. By regions the Southeast was lowest, with per capita personal income and $1604 per capita disposab come, while the Far West was highest, with $2889 and $24 spectively.

The Department of Commerce points out that from 1929 to there was a strong shift of disposable and real disposable in from the north and east to the south and west. During this p the four southern and western regions increased their share nation's disposable income by almost 50 percent, with th northeastern and central regions sustaining the loss. State ences in per capita disposable and real disposable income been reduced considerably during the same period. In fa measured by state deviations from the national mean, the graphic inequality has been cut in half.

Most of this reduction in inequality, however, took place the war years. With regard to Nebraska and the Plains Sta a whole, the same unfavorable trends since 1948 with refere the other regions are apparent. In per capita personal in Nebraska stood $43 above the national average in 1948, $148 in 1963; in per capita disposable income the state was $64 the national average in 1948, $82 below in 1963; in the ultimat of economic well-being, real disposable income, the averag ident of the state was $53 above the nation in 1948 but $68 be 1963. Similar comparisons can be made for the Plains Stat

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below and $116 below in personal income; $15 above and $76 below in disposable income; $14 above and $65 below in real disposable income.

Column 4 of Table III shows the percentage relationship of personal taxes to personal income. It should be kept in mind that this refers only to personal taxes - not total taxes - but that it does include Federal, state, and local taxes. It might also be remarked that regardless of the base on which taxes are levied, they must be paid out of past, present, or future income; therefore, this comparison of taxes and incomes is pertinent. The percentages ranged in 1963 from 9 percent in Mississippi to 16 percent in New York and 18 percent in Delaware. Nebraska, with 11.3%, has a lower effective rate than any of the major regions of the country and ranks in the lowest quintile of states. The Plains States generally show low percentages; all except Minnesota are below the national average.

Percentage increases in per capita real disposable income are compared in columns 5 and 6 of Table III. For the 1948-63 period Nebraska shows a lower percentage than any of the major regions and is nearly 10 percentage points below the national average. The Plains States as a whole likewise show an unfavorable comparison. Only Missouri in this area exceeded the nation in its rate of growth, and with this state eliminated the Plains would show a lower growth rate than any other region of the country. The trend for the 1958-63 period is slightly more favorable, but Nebraska is still substantially below the national average.

Because population growth has also been below average in the Plains, the comparison made in the last two columns of Table III with regard to rate of increase in total personal income is even more unfavorable to this region. For both periods of time considered the Plains States exhibit slower growth than any of the other regions. It is the only one of the regions that did not double its total personal income from 1948 to 1963, and for this period of time its 90% increase is 26% below the national rate. None of the states in the region came close to equalling the national rate in either of the two time periods considered.

The figures presented in this article spotlight a problem that should be a matter of serious concern to all those interested in the welfare of the people of Nebraska. They also indicate that the problem is not peculiar to Nebraska, but is shared by its neighboring states as well. It is a problem that cannot be ignored or explained away. Rather, it must be faced frankly by all the action agencies concerned in the fields of business, agriculture, labor, and government.

Since the problem is a regional one, the solution calls for regional consultation, analysis, and action. Expansion of export markets, as suggested in these pages last month, may be a part of that solution. A regional educational laboratory, for which funds are being sought under a pending proposal, may also contribute to the solution. Active participation and leadership by state agencies to a greater extent than we have been accustomed to in the past may also be necessary. For example, a massive program of investment in highways and in educational, medical, cultural, and recreational facilities (which in Nebraska would involve repeal of the constitutional prohibition against state debt) might be undertaken. Whatever the methods, a definite state and regional program must be developed to reverse the trends analyzed in this article and to enable the people of this region to participate more fully in the tremendous growth in real income that appears to lie ahead for the nation and for the world.

E. S. WALLACE

TABLE III
PERSONAL INCOME AND TAXES IN REGIONS AND STATES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Per Capita Income 1963 (Dollars)			Personal Taxes as Percentage of Personal Income	% Increase in Per Capita Real Disposable Income		Percentage Increase in Total Personal Income	
	Personal	Disposable	Real Disposable		1948-1963	1958-63	1948-63	1958-63
Plains States	2,332	2,046	1,805	12.3	25.3	10.9	89.9	23.6
NEBRASKA	2,300	2,040	1,803	11.3	21.9	8.2	82.4	23.4
Iowa	2,323	2,054	1,806	11.6	13.4	13.5	62.7	22.0
Kansas	2,263	1,981	1,744	12.5	13.9	5.0	107.7	18.1
Minnesota	2,334	2,016	1,783	13.6	24.9	11.0	102.4	25.7
Missouri	2,486	2,176	1,924	12.5	35.0	12.9	104.8	25.8
North Dakota	2,016	1,820	1,588	9.7	15.0	14.7	62.1	23.9
South Dakota	1,963	1,775	1,565	9.6	4.5	10.4	56.5	23.7
New England States	2,723	2,353	2,054	13.6	38.9	9.2	113.5	27.6
Mideast States	2,819	2,404	2,105	14.7	30.5	7.8	109.4	26.2
Great Lakes States	2,605	2,259	2,010	13.3	24.5	11.3	104.3	24.5
Southeast States	1,814	1,604	1,438	11.6	64.9	14.7	138.1	32.5
Southwest States	2,076	1,823	1,629	12.2	35.8	6.9	143.8	26.7
Rocky Mountain States	2,311	2,018	1,786	12.7	27.7	9.8	134.7	30.0
Far West States	2,889	2,491	2,145	13.8	24.1	9.2	176.6	38.4
United States	2,448	2,122	1,871	13.3	31.2	10.3	121.4	28.5

Source: Same as Table I.

Personal Income Bulletin Published

Professor Wallace C. Peterson, Professor of Economics and new chairman of the Department of Economics at the University, is the author of Bulletin No. 71 entitled "Personal Income in Nebraska and Nebraska Counties: 1950-1962." Articles based on the data in this bulletin were published in the June, October, and November, 1964, and February, 1965, issues of Business in Nebraska.

This study is part of a six-state regional cooperative project sponsored by the Midwest Research Institute. Its purpose is to develop a reliable series of data on personal income in Nebraska's ninety-three counties for the thirteen-year period covered and to develop a methodology by means of which future estimates of county personal income may be quickly and accurately obtained.

For each of the years and each of the counties figures on total personal income are presented. Trends in both total and per capita income over the period are analyzed.

Major sources of personal income at the county level are examined, including analysis of the changing composition of such income with respect to both kind of income and its industrial origins. Attention is also given to the distribution of county personal income by population class and income-sized class.

The study concludes with a chapter on methodology in which the procedures used in developing the county allocators are described and suggestions are made for improving the accuracy of county income estimates in the future.

Reviews

A Preface to Urban Economics by Wilbur R. Thompson, published for Resources for the Future, Inc. by the Johns Hopkins Press, Baltimore, 1965. $6.50.

It is the author's contention that the continued growth of urban areas is more dependent on progress in local public administration - "learning to stave off the diseconomies of size in giant city regions" - than on any other single factor.

Dr. Thompson, professor of economics at Wayne State University, arrives at this conclusion after analyzing urban economics as a special field of scholarship to which he applies basic economic concepts, particularly with respect to the growth, structure, and performance of the city area.

Content of the book has been organized into two distinct parts. In the first part the urban area is seen as a single local labor market - as the primary unit of employment and income generation; in the second part the analysis is more heavily oriented to problems and policy.

The author acknowledges a lack of integration between the two halves of the book and explains that this reflects the belated entry of economists into the field of urban study, and the fact that city planners and administrators have in the past been forced to rely largely on their own economic analyses. He maintains that his book is a first attempt to throw a net over the whole field of urban economics.

It is apparent that Dr. Thompson is fully aware of the dual nature of his work as he moves toward a theory of urban growth and toward a set of guides for rationalizing the long-range management of our cities, and that he recognizes that the ultimate objective of the study of urban economics lies ahead. He sees this objective as the identification of the key variables that control the city's form and functioning.

Charts with which the book is illustrated make a distinct cc bution to urban analysis, and value of the book is further enh by a carefully prepared index. The summary chart which de the consequences of urban growth and size not only empha the complexity of the problems involved, but also graphically trays the multiple ways in which they are interrelated. It sh in brief, how urban growth leads to high population densities, large urbanized areas, and political fragmentation, each of creates significant economies and/or diseconomies.

Dr. Thompson sees affluence, equity, and stability as the munity's primary economic goals. His book seeks to sho important impacts - some positive, some negative - which size has on these goals, and to indicate the welfare implicatic growth and great size.

Chapter headings are not usually a fair indication of book co but in the case of Dr. Thompson's study they indicate more cisely than can be done otherwise, the broad scope encompa Economic growth and development: processes, stages, and d minants, with an abridged overview of the urban growth pr and urban growth analysis (both on the demand side and c supply side) are covered in the first chapter. Subsequent cha discuss money income and real income, from labor mark urban efficiency; income inequality, including personal and ernmental poverty; patterns of economic instability; and int tions among goals, including opportunity cost at the policy l

The second part of the book has chapters on urban poverty, ployment, employability, and welfare; the urban public eco and its problems; housing and land use patterns; problems o newal, race, and sprawl; traffic congestion, price rationing capital planning; and interactions among problems, includin problems of "solution" of urban perplexities.

Taxation and the American Metropolis, Urban Land Institute, W ington, D. C., 1965.

For the past five years the Urban Land Institute, an indepen nonprofit research institution, has been engaged in a progr studies in property taxation. Results of the studies have eagerly awaited.

When Dr. Jerome P. Pickard, Director of the Institute, sp the 31st annual conference of the International Association o sessing Officers last month, he summarized the significant ings which are reported in Taxation and the American Metro Among the findings are these:

Relying too heavily on the real estate tax as a local re source can interfere with community development.

High reliance on property taxes aggravates local prob Placing too large a share of the municipal tax burden on real perty weakens the tax base in older cities without any less of the need for public services.

When the property tax reaches high levels, people stop m improvements, maintenance falls off, and investors look to communities for commercial and industrial development o tunities.

Eventually a demand arises in such tax-ridden communitie special exemptions to encourage new development. Such pr ential tax treatment further erodes the tax base.

A better distribution of the tax burden is necessary in r metropolitan areas to achieve the objective of balanced gr